GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5005
ANSWERED ON:26.04.2002
INVESTMENT CLIMATE IN KERALA
A.P. ABDULLAKUTTY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether according to the survey report of CII and World Bank,investment climate is much poor in Kerala than compared to other States;

(b) if so, the facts thereof;

(c) the reasons highlighted in the report for poor investment climate in Kerala; and

(d) the steps being taken by the Government to overcome the situations?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. RAMAN SINGH)

(a) to (d) As per a study jointly conducted recently by the World Bank and Confederation of Indian Industry (CII) on `Competitiveness of Indian Manufacturing - Results from a Firm Level Study`, states considered best in terms of investment climate are Gujarat and Maharashtra; second in the order (good) are the states of Tamil Nadu, Karnataka and Andhra Pradesh; in third position (medium) are the states of Delhi and Punjab; and the states of Kerala, West Bengal and Uttar Pradesh are in the bottom of the list;

The report has identified poor infrastructure, excessive management time being spent with Government officials on regulatory issues, inadequate port facilities, relatively high delays in custom houses, excessively high power cost, etc. as the main reasons for the poor investment climate in the states referred to;

Industrial development including creating good investment climate in the States is primarily the responsibility of the respective State Governments. The Government of India complements the efforts of State Governments through its schemes.